

**ECONOMIC DEVELOPMENT MODIFICATIONS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen G. Handy**

Senate Sponsor: Ronald M. Winterton

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**LONG TITLE**

**Committee Note:**

The Economic Development and Workforce Services Interim Committee recommended this bill.

Legislative Vote: 9 voting for 0 voting against 7 absent

**General Description:**

This bill modifies provisions related to economic development.

**Highlighted Provisions:**

This bill:

▶ requires the Unified Economic Opportunity Commission, instead of the Business and Economic Development Subcommittee, to identify targeted industries for economic development in the state;

▶ modifies provisions related to the issuance of economic development tax credits by the Governor's Office of Economic Opportunity (GO Utah office), including by:

- defining and modifying terms;
- limiting tax credit eligibility to certain projects involving targeted industries, located within rural counties or approved by the Unified Economic Opportunity Commission;
- repealing provisions allowing a local government entity or community reinvestment agency to receive a tax credit;
- allowing a local government entity to create an economic development zone for



- 28 the purpose of incentivizing projects within the local government entity's boundaries;
- 29       • allowing the GO Utah office to issue tax credits for projects that establish
- 30 remote work opportunities in the state;
- 31       • requiring the GO Utah office to conduct an economic impact study to determine
- 32 a business entity's eligibility for a tax credit;
- 33       • establishing requirements for the GO Utah office to enter into a written
- 34 agreement with a business entity, including factors for the GO Utah office to
- 35 consider in determining the duration and amount of tax credit;
- 36       • modifying provisions related to the process for a business entity to claim a tax
- 37 credit; and
- 38       • allowing the GO Utah office to make rules for purposes of administration; and
- 39       ▶ makes technical and conforming changes.

**40 Money Appropriated in this Bill:**

41       None

**42 Other Special Clauses:**

43       None

**44 Utah Code Sections Affected:**

45 AMENDS:

- 46       **59-7-614.2**, as last amended by Laws of Utah 2021, Chapter 282
- 47       **63N-1a-102**, as last amended by Laws of Utah 2021, Chapter 381 and renumbered and
- 48 amended by Laws of Utah 2021, Chapter 282
- 49       **63N-1a-202**, as enacted by Laws of Utah 2021, Chapter 282
- 50       **63N-1a-301**, as renumbered and amended by Laws of Utah 2021, Chapter 282
- 51       **63N-2-102**, as last amended by Laws of Utah 2015, Chapter 344 and renumbered and
- 52 amended by Laws of Utah 2015, Chapter 283
- 53       **63N-2-103**, as last amended by Laws of Utah 2021, Chapters 282 and 381
- 54       **63N-2-104**, as last amended by Laws of Utah 2021, Chapters 282, 381 and last
- 55 amended by Coordination Clause, Laws of Utah 2021, Chapter 282
- 56       **63N-2-105**, as last amended by Laws of Utah 2021, Chapters 282 and 381
- 57       **63N-2-107**, as last amended by Laws of Utah 2021, Chapters 282 and 382
- 58       **63N-3-102**, as last amended by Laws of Utah 2021, Chapter 282

59 **63N-3-111**, as last amended by Laws of Utah 2021, Chapters 282 and 382

60 ENACTS:

61 **63N-2-104.1**, Utah Code Annotated 1953

62 **63N-2-104.2**, Utah Code Annotated 1953

63 **63N-2-104.3**, Utah Code Annotated 1953

64 **63N-2-110**, Utah Code Annotated 1953

65 REPEALS:

66 **63N-2-108**, as last amended by Laws of Utah 2016, Chapter 350

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68 *Be it enacted by the Legislature of the state of Utah:*

69 Section 1. Section **59-7-614.2** is amended to read:

70 **59-7-614.2. Refundable economic development tax credit.**

71 (1) As used in this section:

72 (a) "Business entity" means a taxpayer that meets the definition of "business entity" as  
73 defined in Section **63N-2-103**.

74 ~~[(b) "Community reinvestment agency" means the same as that term is defined in~~  
75 ~~Section **17C-1-102**.]~~

76 ~~[(c) (b) "Incremental job" means the same as that term is defined in Section~~  
77 ~~**63N-1a-102**.~~

78 ~~[(d) "Local government entity" means the same as that term is defined in Section~~  
79 ~~**63N-2-103**.]~~

80 ~~[(e) (c) "New state revenue" means the same as that term is defined in Section~~  
81 ~~**63N-1a-102**.~~

82 ~~[(f) (d) "Office" means the Governor's Office of Economic Opportunity.~~

83 (2) Subject to the other provisions of this section, a business entity~~[, local government~~  
84 ~~entity, or community reinvestment agency]~~ may claim a refundable tax credit for economic  
85 development.

86 (3) The tax credit under this section is the amount listed as the tax credit amount on the  
87 tax credit certificate that the office issues to the business entity~~[, local government entity, or~~  
88 ~~community reinvestment agency]~~ for the taxable year.

89 ~~[(4) A community reinvestment agency may claim a tax credit under this section only if~~

90 a local government entity assigns the tax credit to the community reinvestment agency in  
91 accordance with Section ~~63N-2-104.~~]

92 [~~(5) (a) In accordance with any rules prescribed by the commission under Subsection~~  
93 ~~(5)(b), the commission shall make a refund to the following that claim a tax credit under this~~  
94 ~~section:]~~

95 [~~(i) a local government entity;~~]

96 [~~(ii) a community reinvestment agency; or]~~

97 [~~(iii) a business entity if the amount of the tax credit exceeds the business entity's tax~~  
98 ~~liability for a taxable year.]~~

99 [~~(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~  
100 ~~the commission may make rules providing procedures for making a refund to a business entity,~~  
101 ~~local government entity, or community reinvestment agency as required by Subsection (5)(a).]~~

102 (4) (a) In accordance with any rules prescribed by the commission under Subsection  
103 (4)(b), the commission shall make a refund to a business entity that claims a tax credit under  
104 this section if the amount of the tax credit exceeds the business entity's tax liability for a  
105 taxable year.

106 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
107 commission may make rules providing procedures for making a refund to a business entity as  
108 required by Subsection (4)(a).

109 [~~(6)~~] (5) (a) In accordance with Section 59-7-159, the Revenue and Taxation Interim  
110 Committee shall study the tax credit allowed by this section and make recommendations  
111 concerning whether the tax credit should be continued, modified, or repealed.

112 (b) Except as provided in Subsection [~~(6)~~] (5)(c), for purposes of the study required by  
113 this Subsection [~~(6)~~] (5), the office shall provide the following information, if available to the  
114 office, to the Revenue and Taxation Interim Committee by electronic means:

115 (i) the amount of tax credit that the office grants to each business entity [~~local~~  
116 ~~government entity, or community reinvestment agency]~~ for each calendar year;

117 (ii) the criteria that the office uses in granting a tax credit;

118 [~~(iii) (A) for a business entity, the new state revenue generated by the business entity~~  
119 ~~for the calendar year; or]~~

120 [~~(B) for a local government entity, regardless of whether the local government entity~~

121 assigns the tax credit in accordance with Section ~~63N-2-104~~, the new state revenue generated  
122 as a result of a new commercial project within the local government entity for each calendar  
123 year;]

124 (iii) the new state revenue generated by the business entity for the calendar year;

125 (iv) estimates for each of the next three calendar years of the following:

126 (A) the amount of tax credits that the office will grant;

127 (B) the amount of new state revenue that will be generated; and

128 (C) the number of new incremental jobs within the state that will be generated;

129 (v) the information contained in the office's latest report under Section ~~63N-2-106~~; and

130 (vi) any other information that the Revenue and Taxation Interim Committee requests.

131 (c) (i) In providing the information described in Subsection ~~[(6)] (5)(b)~~, the office shall  
132 redact information that identifies a recipient of a tax credit under this section.

133 (ii) If, notwithstanding the redactions made under Subsection ~~[(6)] (5)(c)(i)~~, reporting  
134 the information described in Subsection ~~[(6)] (5)(b)~~ might disclose the identity of a recipient of  
135 a tax credit, the office may file a request with the Revenue and Taxation Interim Committee to  
136 provide the information described in Subsection ~~[(6)] (5)(b)~~ in the aggregate for all business  
137 entities ~~[and agencies]~~ that receive the tax credit under this section.

138 (d) The Revenue and Taxation Interim Committee shall ensure that the  
139 recommendations described in Subsection ~~[(6)] (5)(a)~~ include an evaluation of:

140 (i) the cost of the tax credit to the state;

141 (ii) the purpose and effectiveness of the tax credit; and

142 (iii) the extent to which the state benefits from the tax credit.

143 Section 2. Section **63N-1a-102** is amended to read:

144 **63N-1a-102. Definitions.**

145 As used in this title:

146 (1) "Baseline jobs" means the number of full-time employee positions that existed  
147 within a business entity in the state before the date on which a project related to the business  
148 entity is approved by the office or by the GO Utah board.

149 (2) "Baseline state revenue" means the amount of state tax revenue collected from a  
150 business entity or the employees of a business entity during the year before the date on which a  
151 project related to the business entity is approved by the office or by the GO Utah board.

152 (3) "Commission" means the Unified Economic Opportunity Commission created in  
153 Section 63N-1a-201.

154 (4) "Economic opportunity agency" includes:

155 (a) the Department of Workforce Services;

156 (b) the Department of Cultural and Community Engagement;

157 (c) the Department of Commerce;

158 (d) the Department of Natural Resources;

159 (e) the Office of Energy Development;

160 (f) the State Board of Education;

161 (g) institutions of higher education;

162 (h) the Utah Multicultural Commission;

163 (i) the World Trade Center Utah;

164 (j) local government entities;

165 (k) associations of governments;

166 (l) the Utah League of Cities and Towns;

167 (m) the Utah Association of Counties;

168 (n) the Economic Development Corporation of Utah;

169 (o) the Small Business Administration;

170 (p) chambers of commerce;

171 (q) industry associations;

172 (r) small business development centers; and

173 (s) other entities identified by the commission or the executive director.

174 (5) "Executive director" means the executive director of the office.

175 (6) "Full-time employee" means an employment position that is filled by an employee  
176 who works at least 30 hours per week and:

177 (a) may include an employment position filled by more than one employee, if each  
178 employee who works less than 30 hours per week is provided benefits comparable to a  
179 full-time employee; and

180 (b) may not include an employment position that is shifted from one jurisdiction in the  
181 state to another jurisdiction in the state.

182 (7) "GO Utah board" means the Business and Economic Development Subcommittee

183 created in Section [63N-1b-202](#).

184 (8) "High paying job" means a newly created full-time employee position where the  
185 aggregate average annual gross wage of the employment position, not including health care or  
186 other paid or unpaid benefits, is:

187 (a) at least 110% of the average wage of the county in which the employment position  
188 exists; or

189 (b) for an employment position related to a project described in Chapter 2, Part 1,  
190 Economic Development Tax Increment Financing, and that is located within the boundary of a  
191 county of the third, fourth, fifth, or sixth class, or located within a municipality in a county of  
192 the second class and where the municipality has a population of 10,000 or less:

193 (i) at least 100% of the average wage of the county in which the employment position  
194 exists; or

195 (ii) an amount determined by rule made by the office in accordance with Title 63G,  
196 Chapter 3, Utah Administrative Rulemaking Act, if the office determines the project is in a  
197 county experiencing economic distress.

198 (9) (a) "Incremental job" means a full-time employment position in the state that:

199 (i) did not exist within a business entity in the state before the beginning of a project  
200 related to the business entity; and

201 (ii) is created in addition to the number of baseline jobs that existed within a business  
202 entity.

203 (b) "Incremental job" includes a full-time employment position where the employee is  
204 hired:

205 (i) directly by a business entity; or

206 (ii) by a professional employer organization, as defined in Section [31A-40-102](#), on  
207 behalf of a business entity.

208 (10) "New state revenue" means the state revenue collected from a business entity or a  
209 business entity's employees during a calendar year minus the baseline state revenue calculation.

210 (11) "Office" or "GO Utah office" means the Governor's Office of Economic  
211 Opportunity.

212 (12) "State revenue" means state tax liability paid by a business entity or a business  
213 entity's employees under any combination of the following provisions:

- 214 (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
- 215 (b) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and  
216 Information;
- 217 (c) Title 59, Chapter 10, Part 2, Trusts and Estates;
- 218 (d) Title 59, Chapter 10, Part 4, Withholding of Tax; and
- 219 (e) Title 59, Chapter 12, Sales and Use Tax Act.
- 220 (13) "State strategic goals" means the strategic goals listed in Section [63N-1a-103](#).
- 221 (14) "Statewide economic development strategy" means the economic development  
222 strategy developed by the commission in accordance with Section [63N-1a-202](#).
- 223 (15) "Targeted industry" means an industry or group of industries targeted by the  
224 commission under Section [63N-1a-202](#), for economic development in the state.
- 225 Section 3. Section **63N-1a-202** is amended to read:
- 226 **63N-1a-202. Commission duties.**
- 227 (1) The commission shall:
- 228 (a) develop, coordinate, and lead a comprehensive statewide economic development  
229 strategy that:
  - 230 (i) unifies and coordinates economic development efforts in the state;
  - 231 (ii) includes key performance indicators for long-term progress toward the state  
232 strategic goals;
  - 233 (iii) establishes reporting and accountability processes for the key performance  
234 indicators; and
  - 235 (iv) ensures the success of the statewide economic development strategy is shared  
236 among the urban and rural areas of the state;
- 237 (b) receive feedback, input, and reports from economic opportunity agencies regarding  
238 programs related to the statewide economic development strategy;
- 239 (c) develop the statewide economic strategy in view of the state water policy described  
240 in Section [73-1-21](#), including the state's commitment to appropriate conservation, efficient and  
241 optimal use of water resources, infrastructure development and improvement, optimal  
242 agricultural use, water quality, reasonable access to recreational activities, effective wastewater  
243 treatment, and protecting and restoring healthy ecosystems;
- 244 (d) direct and facilitate changes to or recommend elimination of economic

245 development programs to ensure alignment with the mission and vision described in Section  
246 [63N-1a-103](#);

247 (e) at least once every five years, identify [~~industry clusters on which the commission~~  
248 ~~recommends the state focus recruiting and expansion efforts~~] which industries or groups of  
249 industries shall be targeted for economic development in the state;

250 (f) establish strategies for the recruitment and retention of targeted [~~industry clusters~~]  
251 industries while respecting the different needs of rural and urban areas throughout the state;

252 (g) establish strategies for supporting entrepreneurship and small business development  
253 in the state;

254 (h) analyze the state's projected long-term population and economic growth and plan  
255 for the anticipated impacts of the projected growth in a manner that improves quality of life  
256 and is consistent with the statewide economic development strategy and state strategic goals;

257 (i) identify gaps and potential solutions related to improving infrastructure, especially  
258 as related to the state's projected long-term population growth;

259 (j) support the development of a prepared workforce that can support [~~critical~~  
260 ~~industries and industry clusters~~] targeted industries identified by the commission;

261 (k) coordinate and develop strategies that assist education providers and industry to  
262 cooperate in supporting students in developing market relevant skills to meet industry needs;

263 (l) develop strategies and plans to ensure comprehensive economic development efforts  
264 are targeted to the unique needs of rural areas of the state;

265 (m) study the unique needs of multicultural communities throughout the state and  
266 develop household-level plans to ensure residents of the state can participate in economic  
267 opportunities in the state;

268 (n) ensure the commission's efforts are, to the extent practicable, data-driven and  
269 evidence-based;

270 (o) support an integrated international trade strategy for the state;

271 (p) facilitate coordination among public, private, and nonprofit economic opportunity  
272 agencies; and

273 (q) in performing the commission's duties, consider the recommendations of the  
274 subcommittees described in Chapter 1b, Commission Subcommittees.

275 (2) The commission shall provide a report to the office for inclusion in the office's

276 annual written report described in Section 63N-1a-306, that includes:

- 277 (a) the statewide economic development strategy;
- 278 (b) a description of how the commission fulfilled the commission's statutory purposes  
279 and duties during the year, including any relevant findings;
- 280 (c) the key performance indicators included in the statewide economic development  
281 strategy, including data showing the extent to which the indicators are being met; and
- 282 (d) any legislative recommendations.

283 Section 4. Section 63N-1a-301 is amended to read:

284 **63N-1a-301. Creation of office -- Responsibilities.**

- 285 (1) There is created the Governor's Office of Economic Opportunity.
- 286 (2) The office is:
  - 287 (a) responsible for implementing the statewide economic development strategy  
288 developed by the commission; and
  - 289 (b) the industrial and business promotion authority of the state.
- 290 (3) The office shall:
  - 291 (a) consistent with the statewide economic development strategy, coordinate and align  
292 into a single effort the activities of the economic opportunity agencies in the field of economic  
293 development;
  - 294 (b) provide support and direction to economic opportunity agencies in establishing  
295 goals, metrics, and activities that align with the statewide economic development strategy;
  - 296 (c) administer and coordinate state and federal economic development grant programs;
  - 297 (d) promote and encourage the economic, commercial, financial, industrial,  
298 agricultural, and civic welfare of the state;
  - 299 (e) promote and encourage the employment of workers in the state and the purchase of  
300 goods and services produced in the state by local businesses;
  - 301 (f) act to create, develop, attract, and retain business, industry, and commerce in the  
302 state, in accordance with the statewide economic development plan and commission directives;
  - 303 (g) act to enhance the state's economy;
  - 304 (h) act to assist strategic industries that are likely to drive future economic growth;
  - 305 (i) assist communities in the state in developing economic development capacity and  
306 coordination with other communities;

- 307 (j) identify areas of education and workforce development in the state that can be  
308 improved to support economic and business development;
- 309 (k) consistent with direction from the commission, develop core strategic priorities for  
310 the office, which may include:
- 311 (i) enhancing statewide access to entrepreneurship opportunities and small business  
312 support;
- 313 (ii) focusing industry recruitment and expansion [~~on strategically chosen clusters~~] of  
314 targeted industries;
- 315 (iii) ensuring that in awarding competitive economic development incentives the office  
316 accurately measures the benefits and costs of the incentives; and
- 317 (iv) assisting communities with technical support to aid those communities in  
318 improving economic development opportunities;
- 319 (l) submit an annual written report as described in Section [63N-1a-306](#); and
- 320 (m) perform other duties as provided by the Legislature.
- 321 (4) In order to perform its duties under this title, the office may:
- 322 (a) enter into a contract or agreement with, or make a grant to, a public or private  
323 entity, including a municipality, if the contract or agreement is not in violation of state statute  
324 or other applicable law;
- 325 (b) except as provided in Subsection (4)(c), receive and expend funds from a public or  
326 private source for any lawful purpose that is in the state's best interest; and
- 327 (c) solicit and accept a contribution of money, services, or facilities from a public or  
328 private donor, but may not use the contribution for publicizing the exclusive interest of the  
329 donor.
- 330 (5) Money received under Subsection (4)(c) shall be deposited [~~m~~] into the General  
331 Fund as dedicated credits of the office.
- 332 (6) (a) The office shall:
- 333 (i) obtain the advice of the GO Utah board before implementing a change to a policy,  
334 priority, or objective under which the office operates; and
- 335 (ii) provide periodic updates to the commission regarding the office's efforts under  
336 Subsections (3)(a) and (b).
- 337 (b) Subsection (6)(a)(i) does not apply to the routine administration by the office of

338 money or services related to the assistance, retention, or recruitment of business, industry, or  
339 commerce in the state.

340 Section 5. Section 63N-2-102 is amended to read:

341 **63N-2-102. Purpose.**

342 This part is enacted to:

343 (1) foster and develop [~~industry~~] targeted industries in the state, to [~~provide additional~~  
344 ~~employment opportunities for Utah's citizens~~] stimulate community-focused economic growth,  
345 and to [~~improve~~] diversify and catalyze the state's economy;

346 [~~(2) address the loss of prospective high paying jobs, the loss of new economic growth,~~  
347 ~~and the corresponding loss of incremental new state and local revenues to competing states~~  
348 ~~caused by economic incentives offered by those states;]~~

349 (2) create high paying employment opportunities in the state;

350 (3) provide tax credits to attract new commercial projects and new jobs in economic  
351 development zones in the state; and

352 (4) provide a cooperative and unified working relationship between state and local  
353 economic development efforts.

354 Section 6. Section 63N-2-103 is amended to read:

355 **63N-2-103. Definitions.**

356 As used in this part:

357 [~~(1) "Authority" means:]~~

358 [~~(a) the Utah Inland Port Authority, created in Section 11-58-201; or]~~

359 [~~(b) the Military Installation Development Authority, created in Section 63H-1-201;]~~

360 [~~(2) "Authority project area" means a project area of:]~~

361 [~~(a) the Utah Inland Port Authority, created in Section 11-58-201; or]~~

362 [~~(b) the Military Installation Development Authority, created in Section 63H-1-201;]~~

363 [~~(3)~~] (1) (a) "Business entity" means a person that enters into [~~an~~] a written agreement  
364 with the office to initiate a new commercial project in Utah that will qualify the person to  
365 receive a tax credit under Section 59-7-614.2 or 59-10-1107.

366 (b) With respect to a tax credit authorized by the office in accordance with Subsection  
367 [~~63N-2-104(3)(c)(ii)~~] 63N-2-104.3(2), "business entity" includes a nonprofit entity.

368 (2) "Commercial or industrial zone" means an area zoned agricultural, commercial,

369 industrial, manufacturing, business park, research park, or other appropriate business related  
 370 use in a general plan that contemplates future growth.

371 [~~(4) "Community reinvestment agency" has the same meaning as that term is defined in~~  
 372 ~~Section 17C-1-102.~~]

373 [~~(5)~~ (3) "Development zone" means an economic development zone created under  
 374 Section 63N-2-104.

375 [~~(6) "Local government entity" means a county, city, town, or authority that enters into~~  
 376 ~~an agreement with the office to have a new commercial project that:]~~

377 [~~(a) is located within:]~~

378 [~~(i) the boundary of the county, city, or town; or]~~

379 [~~(ii) an authority project area; and]~~

380 [~~(b) qualifies the county, city, town, or authority to receive a tax credit under Section~~  
 381 ~~59-7-614.2.]~~

382 [~~(7) (a) "New commercial project" means an economic development opportunity that:]~~

383 [~~(i) involves new or expanded industrial, manufacturing, distribution, or business~~  
 384 ~~services in the state; and]~~

385 [~~(ii) advances the statewide economic development strategy.]~~

386 [~~(b) "New commercial project" includes an economic development opportunity that~~  
 387 ~~involves new or expanded agricultural or mining business services in Utah if the new~~  
 388 ~~commercial project is located within a:]~~

389 [~~(i) county of the third, fourth, fifth, or sixth class; or]~~

390 [~~(ii) municipality that has a population of 10,000 or less and the municipality is in a~~  
 391 ~~county of the second class.]~~

392 [~~(c) "New commercial project" does not include retail business:]~~

393 (4) "Local government entity" means a county, city, town, or metro township.

394 (5) "New commercial project" means an economic development opportunity that:

395 (a) involves a targeted industry;

396 (b) is located within a county of the third, fourth, fifth, or sixth class; or

397 (c) involves an economic development opportunity that the commission determines to  
 398 be eligible for a tax credit under this part.

399 (6) "Remote work opportunity" means a new commercial project that:

400 (a) does not require a physical office in the state where employees associated with the  
 401 new commercial project are required to work; and

402 (b) requires employees associated with the new commercial project to:

403 (i) work remotely from a location within the state; and

404 (ii) maintain residency in the state.

405 ~~[(8)]~~ (7) "Significant capital investment" means an investment in capital or fixed assets  
 406 ~~[in the following amounts]~~, which may include real property, personal property, and other  
 407 fixtures related to a new commercial project that represents an expansion of existing operations  
 408 in the state or that increases the business entity's existing workforce in the state~~[-]~~.

409 ~~[(a) except as described in Subsection (8)(b), an amount of at least \$10,000,000 for a~~  
 410 ~~new commercial project located within the boundary of a county of the first or second class;]~~

411 ~~[(b) an amount of at least \$500,000 for a new commercial project located within the~~  
 412 ~~boundary of a county of the third or fourth class, or located within a municipality in a county of~~  
 413 ~~the second class and where the municipality has a population of 10,000 or less;]~~

414 ~~[(c) an amount of at least \$250,000 for a new commercial project located within the~~  
 415 ~~boundary of a county of the fifth or sixth class; or]~~

416 ~~[(d) an amount determined by rule made by the office in accordance with Title 63G,~~  
 417 ~~Chapter 3, Utah Administrative Rulemaking Act.]~~

418 ~~[(9)]~~ (8) "Tax credit" means an economic development tax credit created by Section  
 419 [59-7-614.2](#) or [59-10-1107](#).

420 ~~[(10)]~~ (9) "Tax credit amount" means the amount the office lists as a tax credit on a tax  
 421 credit certificate for a taxable year.

422 ~~[(11)]~~ (10) "Tax credit certificate" means a certificate issued by the office that:

423 (a) lists the name of the business entity~~[-, local government entity, or community~~  
 424 ~~development and renewal agency]~~ to which the office authorizes a tax credit;

425 (b) lists the business entity's~~[-, local government entity's, or community development~~  
 426 ~~and renewal agency's]~~ taxpayer identification number;

427 (c) lists the amount of tax credit that the office authorizes the business entity~~[-, local~~  
 428 ~~government entity, or community development and renewal agency]~~ for the taxable year; and

429 (d) may include other information as determined by the office.

430 (11) "Written agreement" means a written agreement entered into between the office

431 and a business entity under Section [63N-2-104.2](#).

432 Section 7. Section **63N-2-104** is amended to read:

433 **63N-2-104. Creation of economic development zones.**

434 (1) The office may create an economic development zone in the state if the following  
435 requirements are satisfied:

436 ~~[(a) the area is zoned agricultural, commercial, industrial, manufacturing, business  
437 park, research park, or other appropriate business related use in a community-approved master  
438 plan that contemplates future growth;]~~

439 ~~[(b) the request to create a development zone has first been approved by an appropriate  
440 local government entity; and]~~

441 (a) the area is located within a commercial or industrial zone;

442 (b) the local government entity having jurisdiction over the area supports the creation  
443 of the development zone; and

444 (c) the local government entity described in Subsection (1)(b) provides or commits to  
445 provide local incentives [have been or will be committed to be provided] within the area in  
446 accordance with the [community's] local government entity's approved incentive policy [and  
447 application process].

448 (2) A local government entity may, for the purpose of incentivizing new commercial  
449 projects within the local government entity's boundaries, create an economic development zone  
450 if the following requirements are satisfied:

451 (a) the area is located:

452 (i) within a commercial or industrial zone; and

453 (ii) within the geographic boundaries of the local government entity;

454 (b) the local government entity adopts a long-term plan that addresses the following  
455 planning elements within the area:

456 (i) transportation and infrastructure;

457 (ii) workforce development; and

458 (iii) housing needs; and

459 (c) the office approves the local government entity's request to create the development  
460 zone.

461 ~~[(2)(a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~

462 the office shall make rules establishing the requirements for a business entity or local  
463 government entity to qualify for a tax credit for a new commercial project in a development  
464 zone under this part.]

465 [~~(b) The office shall ensure that the requirements described in Subsection (2)(a)~~  
466 ~~include the following:~~]

467 [~~(i) the new commercial project is within the development zone;~~]

468 [~~(ii) the new commercial project includes direct investment within the geographic~~  
469 ~~boundaries of the development zone;~~]

470 [~~(iii) the new commercial project brings new incremental jobs to Utah;~~]

471 [~~(iv) the new commercial project includes the creation of high paying jobs in the state,~~  
472 ~~significant capital investment in the state, or significant purchases from vendors, contractors, or~~  
473 ~~service providers in the state, or a combination of these three economic factors;~~]

474 [~~(v) the new commercial project generates new state revenues;~~]

475 [~~(vi) a business entity, a local government entity, or a community reinvestment agency~~  
476 ~~to which a local government entity assigns a tax credit under this section meets the~~  
477 ~~requirements of Section 63N-2-105; and]~~

478 [~~(vii) unless otherwise advisable in light of economic circumstances, the new~~  
479 ~~commercial project relates to the industry clusters identified by the commission under Section~~  
480 ~~63N-1a-202.]~~

481 [~~(3) (a) The office, after consultation with the GO Utah board, may enter into a written~~  
482 ~~agreement with a business entity or local government entity authorizing a tax credit to the~~  
483 ~~business entity or local government entity if the business entity or local government entity~~  
484 ~~meets the requirements described in this section.]~~

485 [~~(b) (i) With respect to a new commercial project, the office may authorize a tax credit~~  
486 ~~to a business entity or a local government entity, but not both.]~~

487 [~~(ii) In determining whether to authorize a tax credit with respect to a new commercial~~  
488 ~~project to a business entity or a local government entity, the office shall authorize the tax credit~~  
489 ~~in a manner that the office determines will result in providing the most effective incentive for~~  
490 ~~the new commercial project.]~~

491 [~~(c) (i) Except as provided in Subsection (3)(c)(ii)(A), for a new commercial project~~  
492 ~~that is located within the boundary of a county of the first or second class, the office may not~~

493 ~~authorize or commit to authorize a tax credit that exceeds:]~~

494 ~~[(A) 50% of the new state revenues from the new commercial project in any given~~  
495 ~~year; or]~~

496 ~~[(B) 30% of the new state revenues from the new commercial project over the lesser of~~  
497 ~~the life of a new commercial project or 20 years.]~~

498 ~~[(ii) If the office authorizes or commits to authorize a tax credit for a new commercial~~  
499 ~~project located within the boundary of:]~~

500 ~~[(A) a municipality with a population of 10,000 or less located within a county of the~~  
501 ~~second class and that is experiencing economic hardship as determined by the office, the office~~  
502 ~~shall authorize a tax credit of up to 50% of new state revenues from the new commercial~~  
503 ~~project over the lesser of the life of the new commercial project or 20 years;]~~

504 ~~[(B) a county of the third class, the office shall authorize a tax credit of up to 50% of~~  
505 ~~new state revenues from the new commercial project over the lesser of the life of the new~~  
506 ~~commercial project or 20 years; and]~~

507 ~~[(C) a county of the fourth, fifth, or sixth class, the office shall authorize a tax credit of~~  
508 ~~50% of new state revenues from the new commercial project over the lesser of the life of the~~  
509 ~~new commercial project or 20 years.]~~

510 ~~[(iii) Notwithstanding any other provisions of this section, the office may not authorize~~  
511 ~~a tax credit under this section for a new commercial project:]~~

512 ~~[(A) to a business entity that has claimed a High Cost Infrastructure Development Tax~~  
513 ~~Credit described in Section 79-6-603 related to the same new commercial project; or]~~

514 ~~[(B) in an amount more than the amount of the capital investment in the new~~  
515 ~~commercial project.]~~

516 ~~[(d) (i) A local government entity may by resolution assign a tax credit authorized by~~  
517 ~~the office to a community reinvestment agency.]~~

518 ~~[(ii) The local government entity shall provide a copy of the resolution described in~~  
519 ~~Subsection (3)(d)(i) to the office.]~~

520 ~~[(iii) If a local government entity assigns a tax credit to a community reinvestment~~  
521 ~~agency, the written agreement described in Subsection (3)(a) shall:]~~

522 ~~[(A) be between the office, the local government entity, and the community~~  
523 ~~reinvestment agency;]~~

524 ~~[(B) establish the obligations of the local government entity and the community~~  
525 ~~reinvestment agency; and]~~

526 ~~[(C) establish the extent to which any of the local government entity's obligations are~~  
527 ~~transferred to the community reinvestment agency.]~~

528 ~~[(iv) If a local government entity assigns a tax credit to a community reinvestment~~  
529 ~~agency:]~~

530 ~~[(A) the community reinvestment agency shall retain records as described in~~  
531 ~~Subsection (4)(d); and]~~

532 ~~[(B) a tax credit certificate issued in accordance with Section ~~63N-2-105~~ shall list the~~  
533 ~~community reinvestment agency as the named applicant.]~~

534 ~~[(4) The office shall ensure that the written agreement described in Subsection (3):]~~

535 ~~[(a) specifies the requirements that the business entity or local government entity shall~~  
536 ~~meet to qualify for a tax credit under this part;]~~

537 ~~[(b) specifies the maximum amount of tax credit that the business entity or local~~  
538 ~~government entity may be authorized for a taxable year and over the life of the new commercial~~  
539 ~~project;]~~

540 ~~[(c) establishes the length of time the business entity or local government entity may~~  
541 ~~claim a tax credit;]~~

542 ~~[(d) requires the business entity or local government entity to retain records supporting~~  
543 ~~a claim for a tax credit for at least four years after the business entity or local government entity~~  
544 ~~claims a tax credit under this part; and]~~

545 ~~[(e) requires the business entity or local government entity to submit to audits for~~  
546 ~~verification of the tax credit claimed.]~~

547 ~~[(5) The office may attribute an incremental job or a high paying job to a new~~  
548 ~~commercial project regardless of whether the job is performed in person, within the~~  
549 ~~development zone or remotely from elsewhere in the state.]~~

550 Section 8. Section **63N-2-104.1** is enacted to read:

551 **63N-2-104.1. Eligibility for tax credit -- Economic impact study.**

552 (1) The office shall certify a business entity's eligibility for a tax credit as provided in  
553 this section.

554 (2) A business entity is eligible to receive a tax credit for a new commercial project if:

555 (a) the new commercial project:  
556 (i) (A) is located and provides direct investment within the geographic boundaries of a  
557 development zone; or  
558 (B) creates a remote work opportunity;  
559 (ii) includes the creation of high paying jobs in the state, significant capital investment  
560 in the state, or significant purchases from vendors, contractors, or service providers in the state,  
561 or a combination of these three economic factors; and  
562 (iii) generates new state revenues; and  
563 (b) the business entity has not claimed a High Cost Infrastructure Development Tax  
564 Credit under Section 79-6-603 for the same new commercial project.  
565 (3) The office shall conduct a study of the economic impacts associated with a new  
566 commercial project to determine whether a business entity meets the requirements of  
567 Subsection (2).  
568 (4) In determining whether a new commercial project meets the requirements of  
569 Subsection (2)(a)(ii), the office may attribute an incremental job or a high paying job to a new  
570 commercial project regardless of whether the job is performed in person, within a development  
571 zone, or remotely from elsewhere in the state.

572 Section 9. Section 63N-2-104.2 is enacted to read:  
573 **63N-2-104.2. Written Agreement -- Contents -- Grounds for amendment or**  
574 **termination.**  
575 (1) If the office determines that a business entity is eligible for a tax credit under  
576 Section 63N-2-104.1, the office may enter into a written agreement with the business entity  
577 that:  
578 (a) establishes performance benchmarks for the business entity to claim a tax credit,  
579 including any minimum wage requirements;  
580 (b) specifies the maximum amount of tax credit that the business entity may be  
581 authorized for a taxable year and over the life of the new commercial project, subject to the  
582 limitations in Section 63N-2-104.3;  
583 (c) establishes the length of time the business entity may claim a tax credit;  
584 (d) requires the business entity to retain records supporting a claim for a tax credit for  
585 at least four years after the business entity claims the tax credit;

586 (e) requires the business entity to submit to audits for verification of any tax credit  
587 claimed; and

588 (f) requires the business entity, in order to claim a tax credit, to meet the requirements  
589 of Section [63N-2-105](#).

590 (2) In establishing the terms of a written agreement, including the duration and amount  
591 of tax credit that the business entity may be authorized to receive, the office shall:

592 (a) authorize the tax credit in a manner that provides the most effective incentive for  
593 the new commercial project;

594 (b) consider the following factors:

595 (i) whether the new commercial project provides vital or specialized support to supply  
596 chains;

597 (ii) whether the new commercial project provides an innovative product, technology, or  
598 service;

599 (iii) the number and wages of new incremental jobs associated with the new  
600 commercial project;

601 (iv) the amount of financial support provided by local government entities for the new  
602 commercial project;

603 (v) the amount of capital expenditures associated with the new commercial project;

604 (vi) whether the new commercial project returns jobs transferred overseas;

605 (vii) the rate of unemployment in the county in which the new commercial project is  
606 located;

607 (viii) whether the new commercial project creates a remote work opportunity;

608 (ix) whether the new commercial project is located in a development zone created by a  
609 local government entity as described in Subsection [63N-2-104\(2\)](#);

610 (x) whether the business entity commits to hiring Utah workers for the new  
611 commercial project;

612 (xi) whether the business entity adopts a corporate citizenry plan or supports initiatives  
613 in the state that advance education, gender equality, diversity and inclusion, work-life balance,  
614 environmental or social good, or other similar causes;

615 (xii) whether the business entity's headquarters are located within the state;

616 (xiii) the likelihood of other business entities relocating to another state as a result of

617 the new commercial project; and  
618 (xiv) the necessity of the tax credit for the business entity's expansion in the state or  
619 relocation from another state; and  
620 (c) consult with the GO Utah board.  
621 (3) (a) In determining the amount of tax credit that a business entity may be authorized  
622 to receive under a written agreement, the office may:  
623 (i) authorize a higher or optimized amount of tax credit for a new commercial project  
624 located within a development zone created by a local government entity as described in  
625 Subsection 63N-2-104(2); and  
626 (ii) establish by rule made in accordance with Title 63G, Chapter 3, Utah  
627 Administrative Rulemaking Act, a process by which the office closely approximates the  
628 amount of taxes the business entity paid under Title 59, Chapter 12, Sales and Use Tax Act, for  
629 a capital project.  
630 (b) The office may apply a process described in Subsection (3)(a)(ii) to a business  
631 entity only with respect to a new or amended written agreement that takes effect on or after  
632 January 1, 2022.  
633 (4) If the office identifies any of the following events after entering into a written  
634 agreement with a business entity, the office and the business entity shall amend, or the office  
635 may terminate, the written agreement:  
636 (a) a change in the business entity's organization resulting from a merger with or  
637 acquisition of another entity located in the state;  
638 (b) a material increase in the business entity's retail operations that results in new state  
639 revenue not subject to the incentive; or  
640 (c) an increase in the business entity's operations that:  
641 (i) is outside the scope of the written agreement or outside the boundaries of a  
642 development zone; and  
643 (ii) results in new state revenue not subject to the incentive.  
644 Section 10. Section **63N-2-104.3** is enacted to read:  
645 **63N-2-104.3. Limitations on tax credit amount.**  
646 (1) Except as provided in Subsection (2)(a), for a new commercial project that is  
647 located within the boundary of a county of the first or second class, the office may not

648 authorize a tax credit that exceeds:

649 (a) 50% of the new state revenues from the new commercial project in any given year;

650 (b) 30% of the new state revenues from the new commercial project over the lesser of  
651 the life of a new commercial project or 20 years; or

652 (c) 35% of the new state revenues from the new commercial project over the lesser of  
653 the life of a new commercial project or 20 years, if:

654 (i) the new commercial project brings 2,500 or more new incremental jobs to the state;

655 (ii) the amount of capital expenditures associated with the new commercial project is  
656 \$1,000,000,000 or more; and

657 (iii) the commission approves the tax credit.

658 (2) If the office authorizes a tax credit for a new commercial project located within the  
659 boundary of:

660 (a) a municipality with a population of 10,000 or less located within a county of the  
661 second class and that is experiencing economic hardship as determined by the office, the office  
662 shall authorize a tax credit of up to 50% of new state revenues from the new commercial  
663 project over the lesser of the life of the new commercial project or 20 years;

664 (b) a county of the third class, the office shall authorize a tax credit of up to 50% of  
665 new state revenues from the new commercial project over the lesser of the life of the new  
666 commercial project or 20 years; and

667 (c) a county of the fourth, fifth, or sixth class, the office shall authorize a tax credit of  
668 50% of new state revenues from the new commercial project over the lesser of the life of the  
669 new commercial project or 20 years.

670 Section 11. Section **63N-2-105** is amended to read:

671 **63N-2-105. Requirements for claiming tax credit -- Application for tax credit**  
672 **certificate -- Procedure.**

673 ~~[(1) The office shall certify a business entity's or local government entity's eligibility~~  
674 ~~for a tax credit as provided in this part.]~~

675 (1) A business entity may claim a tax credit under this part if the office:

676 (a) determines that the business entity is eligible for a tax credit under Section  
677 [63N-2-104.1](#);

678 (b) enters into a written agreement with the business entity in accordance with Section

679 [63N-2-104.2](#); and

680 (c) issues a tax credit certificate to the business entity in accordance with this section.

681 (2) A business entity [~~or local government entity~~] seeking to receive a tax credit [as  
682 provided in this part] shall provide the office with:

683 (a) an application for a tax credit certificate, including a certification, by an officer of  
684 the business entity, of any signature on the application;

685 (b) [(i) for a business entity,] documentation of the new state revenues from the  
686 business entity's new commercial project that were paid during a calendar year; [~~or~~]

687 [(ii) for a local government entity, documentation of the new state revenues from the  
688 new commercial project within the area of the local government entity that were paid during a  
689 calendar year;]

690 (c) known or expected detriments to the state or existing businesses in the state;

691 [(d) if a local government entity seeks to assign the tax credit to a community  
692 reinvestment agency as described in Section [63N-2-104](#), a statement providing the name and  
693 taxpayer identification number of the community reinvestment agency to which the local  
694 government entity seeks to assign the tax credit;]

695 [(e) (i) with respect to a business entity that seeks to claim a tax credit:]

696 [(A)] (d) a document that expressly directs and authorizes the State Tax Commission to  
697 disclose to the office the business entity's returns and other information that would otherwise  
698 be subject to confidentiality under Section [59-1-403](#) or Section 6103, Internal Revenue Code;  
699 [and]

700 [(B)] (e) a document that expressly directs and authorizes the Department of  
701 Workforce Services to disclose to the office the business entity's unemployment insurance  
702 contribution reports that would otherwise be subject to confidentiality under Section  
703 [35A-4-312](#); and

704 (f) documentation that the business entity has satisfied the performance benchmarks  
705 outlined in the written agreement.

706 [(ii) with respect to a local government entity that seeks to claim the tax credit:]

707 [(A) a document that expressly directs and authorizes the State Tax Commission to  
708 disclose to the office the local government entity's returns and other information that would  
709 otherwise be subject to confidentiality under Section [59-1-403](#) or Section 6103, Internal

710 Revenue Code; and]

711 ~~[(B) if the new state revenues collected as a result of a new commercial project are~~  
712 ~~attributable in whole or in part to a new or expanded industrial, manufacturing mining,~~  
713 ~~agricultural, distribution, or business service within a new commercial project within the area~~  
714 ~~of the local government entity, a document signed by an authorized representative of the new~~  
715 ~~or expanded industrial, manufacturing, mining, agricultural, distribution, or business service~~  
716 ~~that:]~~

717 ~~[(F) expressly directs and authorizes the State Tax Commission to disclose to the office~~  
718 ~~the returns of the new or expanded industrial, manufacturing, distribution, or business service~~  
719 ~~and other information that would otherwise be subject to confidentiality under Section~~  
720 ~~59-1-403 or Section 6103, Internal Revenue Code; and]~~

721 ~~[(H) lists the taxpayer identification number of the new or expanded industrial,~~  
722 ~~manufacturing, mining, agricultural, distribution, or business service; or]~~

723 ~~[(iii) with respect to a local government entity that seeks to assign the tax credit to a~~  
724 ~~community reinvestment agency:]~~

725 ~~[(A) a document signed by the members of the governing body of the community~~  
726 ~~reinvestment agency that expressly directs and authorizes the State Tax Commission to~~  
727 ~~disclose to the office the returns of the community reinvestment agency and other information~~  
728 ~~that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103;~~  
729 ~~Internal Revenue Code; and]~~

730 ~~[(B) if the new state revenues collected as a result of a new commercial project are~~  
731 ~~attributable in whole or in part to a new or expanded industrial, manufacturing, mining,~~  
732 ~~agricultural, distribution, or business service within a new commercial project within the~~  
733 ~~community reinvestment agency, a document signed by an authorized representative of the new~~  
734 ~~or expanded industrial, manufacturing, mining, agricultural, distribution, or business service~~  
735 ~~that:]~~

736 ~~[(F) expressly directs and authorizes the State Tax Commission to disclose to the office~~  
737 ~~the returns of the new or expanded industrial, manufacturing, mining, agricultural, distribution,~~  
738 ~~or business service and other information that would otherwise be subject to confidentiality~~  
739 ~~under Section 59-1-403 or Section 6103, Internal Revenue Code; and]~~

740 ~~[(H) lists the taxpayer identification number of the new or expanded industrial,~~

741 ~~manufacturing, mining, agricultural, distribution, or business service; and]~~

742 ~~[(f) for a business entity only, documentation that the business entity has satisfied the~~  
 743 ~~performance benchmarks outlined in the written agreement described in Subsection~~  
 744 ~~63N-2-104(3)(a), and as defined by rule made in accordance with Title 63G, Chapter 3, Utah~~  
 745 ~~Administrative Rulemaking Act, including the creation of new:]~~

746 ~~[(i) incremental jobs;]~~

747 ~~[(ii) high paying jobs; and]~~

748 ~~[(iii) state revenue.]~~

749 (3) (a) (i) The office shall submit the ~~[documents]~~ document described in Subsection  
 750 ~~[(2)(e)]~~ (2)(d) to the State Tax Commission.

751 ~~[(b)]~~ (ii) Upon receipt of ~~[a]~~ the document described in Subsection ~~[(2)(e)]~~ (2)(d), the  
 752 State Tax Commission shall provide the office with the returns and other information requested  
 753 by the office that the State Tax Commission is directed or authorized to provide to the office in  
 754 accordance with Subsection ~~[(2)(e)]~~ (2)(d).

755 (b) (i) The office shall submit the document described in Subsection (2)(e) to the  
 756 Department of Workforce Services.

757 (ii) Upon receipt of the document described in Subsection (2)(e), the Department of  
 758 Workforce Services shall provide the office with the information that the Department of  
 759 Workforce Services is directed or authorized to provide to the office in accordance with  
 760 Subsection (2)(e).

761 (4) If the returns and other information provided under Subsections (2) and (3) provide  
 762 the office with a reasonable justification for authorizing or continuing a tax credit, the office  
 763 shall:

764 (a) determine the amount of the tax credit to be granted to the business entity,  
 765 consistent with the terms of the written agreement;

766 (b) issue a tax credit certificate to the business entity; and

767 (c) provide a digital record of the tax credit certificate to the State Tax Commission.

768 ~~[(4) If, with respect to an agreement described in Subsection 63N-2-104(3)(a) between~~  
 769 ~~the office and a business entity, the office identifies one of the following events, the office and~~  
 770 ~~the business entity shall amend or the office may terminate the agreement:]~~

771 ~~[(a) a change in the business entity's organization resulting from a merger with or~~

772 acquisition of another entity located in the state;]

773 [~~(b) a material increase in the business entity's retail operations that results in new state~~  
774 ~~revenue not subject to the incentive; or]~~

775 [~~(c) an increase in the business entity's operations that:]~~

776 [~~(i) is outside the scope of the agreement or outside the boundaries of a development~~  
777 ~~zone; and]~~

778 [~~(ii) results in new state revenue not subject to the incentive.]~~

779 [~~(5) If, after review of the returns and other information provided by the State Tax~~  
780 ~~Commission, or after review of the ongoing performance of the business entity or local~~  
781 ~~government entity, the office determines that the returns and other information are inadequate~~  
782 ~~to provide a reasonable justification for authorizing or continuing a tax credit, the office shall:]~~

783 [~~(a) (i) deny the tax credit; or]~~

784 [~~(ii) terminate the agreement described in Subsection [63N-2-104\(3\)\(a\)](#) for failure to~~  
785 ~~meet the performance standards established in the agreement; or]~~

786 [~~(b) inform the business entity or local government entity that the returns or other~~  
787 ~~information were inadequate and ask the business entity or local government entity to submit~~  
788 ~~new documentation.]~~

789 [~~(6) If after review of the returns and other information provided by the State Tax~~  
790 ~~Commission, the office determines that the returns and other information provided by the~~  
791 ~~business entity or local government entity provide reasonable justification for authorizing a tax~~  
792 ~~credit, the office shall, based upon the returns and other information:]~~

793 [~~(a) determine the amount of the tax credit to be granted to the business entity, local~~  
794 ~~government entity, or if the local government entity assigns the tax credit as described in~~  
795 ~~Section [63N-2-104](#), to the community reinvestment agency to which the local government~~  
796 ~~entity assigns the tax credit;]~~

797 [~~(b) issue a tax credit certificate to the business entity, local government entity, or if the~~  
798 ~~local government entity assigns the tax credit as described in Section [63N-2-104](#), to the~~  
799 ~~community reinvestment agency to which the local government entity assigns the tax credit;~~  
800 ~~and]~~

801 [~~(c) provide a digital record of the tax credit certificate to the State Tax Commission.]~~

802 [~~(7) (a) For purposes of determining the amount of a business entity's tax credit in~~

803 accordance with this section, the office may establish by rule made in accordance with Title  
804 63G, Chapter 3, Utah Administrative Rulemaking Act, a process by which the office closely  
805 approximates the amount of taxes the business entity paid under Title 59, Chapter 12, Sales and  
806 Use Tax Act, for a capital project.]

807 [(b) The office may apply a process described in Subsection (7)(a) to a business entity  
808 only with respect to a new agreement described in Subsection ~~63N-2-104~~(3)(a) that takes effect  
809 on or after January 1, 2022.]

810 [(8) A business entity, local government entity, or community reinvestment agency  
811 may not claim a tax credit unless the business entity, local government entity, or community  
812 reinvestment agency has a tax credit certificate issued by the office.]

813 [(9)] (5) (a) A business entity[, local government entity, or community reinvestment  
814 agency] may claim a tax credit in the amount listed on the tax credit certificate on its tax return.

815 (b) A business entity[, local government entity, or community reinvestment agency]  
816 that claims a tax credit under this section shall retain the tax credit certificate in accordance  
817 with Section ~~59-7-614.2~~ or ~~59-10-1107~~.

818 Section 12. Section ~~63N-2-107~~ is amended to read:

819 **~~63N-2-107. Reports of new state revenues, partial rebates, and tax credits.~~**

820 (1) Before October 1 of each year, the office shall submit a report to the Governor's  
821 Office of Planning and Budget, the Office of the Legislative Fiscal Analyst, and the Division of  
822 Finance identifying:

823 (a) (i) the total estimated amount of new state revenues created from new commercial  
824 projects [~~in development zones~~];

825 (ii) the estimated amount of new state revenues from new commercial projects [~~in~~  
826 ~~development zones~~] that will be generated from:

827 (A) sales tax;

828 (B) income tax; and

829 (C) corporate franchise and income tax; and

830 (iii) the minimum number of new incremental jobs and high paying jobs that will be  
831 created before any tax credit is awarded; and

832 (b) the total estimated amount of tax credits that the office projects that business  
833 entities[, local government entities, or community reinvestment agencies] will qualify to claim

834 under this part.

835 (2) By the first business day of each month, the office shall submit a report to the  
836 Governor's Office of Planning and Budget, the Office of the Legislative Fiscal Analyst, and the  
837 Division of Finance identifying:

838 (a) each new written agreement that the office entered into [~~by the office~~] since the last  
839 report;

840 (b) the estimated amount of new state revenues that will be generated under each  
841 written agreement described in Subsection (2)(a);

842 (c) the estimated maximum amount of tax credits that a business entity[~~local~~  
843 ~~government entity, or community reinvestment agency~~] could qualify for under each written  
844 agreement described in Subsection (2)(a); and

845 (d) the minimum number of new incremental jobs and high paying jobs that will be  
846 created before any tax credit is awarded.

847 (3) At the reasonable request of the Governor's Office of Planning and Budget, the  
848 Office of the Legislative Fiscal Analyst, or the Division of Finance, the office shall provide  
849 additional information about the tax credit, new incremental jobs and high paying jobs, costs,  
850 and economic benefits related to this part, if the information is part of a public record as  
851 defined in Section [63G-2-103](#).

852 (4) By June 30, the office shall submit to the Economic Development and Workforce  
853 Services Interim Committee, the Business, Economic Development, and Labor Appropriations  
854 Subcommittee, and the governor, a written report that provides an overview of the  
855 implementation and efficacy of the statewide economic development strategy, including an  
856 analysis of the extent to which the office's programs are aligned with the prevailing economic  
857 conditions expected in the next fiscal year.

858 Section 13. Section **63N-2-110** is enacted to read:

859 **63N-2-110. Rulemaking authority.**

860 The office may make rules in accordance with Title 63G, Chapter 3, Utah  
861 Administrative Rulemaking Act, as necessary to administer this part.

862 Section 14. Section **63N-3-102** is amended to read:

863 **63N-3-102. Definitions.**

864 As used in this part:

865 (1) "Administrator" means the executive director or the executive director's designee.

866 (2) "Economic opportunities" means unique business situations or community  
 867 circumstances, including the development of recreation infrastructure and the promotion of the  
 868 high tech sector in the state, which lend themselves to the furtherance of the economic interests  
 869 of the state by providing a catalyst or stimulus to the growth or retention, or both, of commerce  
 870 and industry in the state, including retention of companies whose relocation outside the state  
 871 would have a significant detrimental economic impact on the state as a whole, regions of the  
 872 state, or specific components of the state as determined by the GO Utah board.

873 (3) "Restricted Account" means the restricted account known as the Industrial  
 874 Assistance Account created in Section [63N-3-103](#).

875 ~~[(4) "Targeted industry" means an industry or group of industries targeted by the GO  
 876 Utah board under Section [63N-3-111](#), for economic development in the state.]~~

877 ~~[(5)]~~ (4) "Talent development grant" means a grant awarded under Section [63N-3-112](#).  
 878 Section 15. Section [63N-3-111](#) is amended to read:

879 **[63N-3-111. Annual policy considerations.](#)**

880 ~~[(1)(a) The GO Utah board shall determine annually which industries or groups of  
 881 industries shall be targeted industries as defined in Section [63N-3-102](#).]~~

882 ~~[(b)]~~ (1) (a) The office shall make recommendations to state and federal agencies, local  
 883 governments, the governor, and the Legislature regarding policies and initiatives that promote  
 884 the economic development of targeted industries.

885 ~~[(c)]~~ (b) The office may create one or more voluntary advisory committees that may  
 886 include public and private stakeholders to solicit input on policy guidance and best practices in  
 887 encouraging the economic development of targeted industries.

888 (2) In evaluating the economic impact of applications for assistance, the GO Utah  
 889 board shall use an econometric cost-benefit model.

890 (3) The GO Utah board may establish:

891 (a) minimum interest rates to be applied to loans granted that reflect a fair social rate of  
 892 return to the state comparable to prevailing market-based rates such as the prime rate, U.S.  
 893 Government T-bill rate, or bond coupon rate as paid by the state, adjusted by social indicators  
 894 such as the rate of unemployment; and

895 (b) minimum applicant expense ratios, as long as they are at least equal to those

896 required under Subsection [63N-3-105\(1\)\(b\)](#).

897           Section 16. **Repealer.**

898           This bill repeals:

899           Section [63N-2-108](#), **Expenditure of amounts received by a local government entity**  
900 **or community reinvestment agency as a tax credit -- Commingling of tax credit amounts**  
901 **with certain other amounts.**